

FitchGroup

# Transparency Report 2023

DEI, CSR and the Environment

TOGETHER WE EQUAL MORE



# Contents



## A message from our CEO

This report provides an overview of the advancements Fitch Group has made in the past year in Diversity, Equity and Inclusion (DEI), Corporate Social Responsibility (CSR), and how we are addressing our environmental impact. I am pleased to share the steps we have taken towards more ethical and sustainable growth.

We have seen strong progress in our efforts to build a more diverse workforce. In 2023, we saw an 11% YoY increase in the proportion of underrepresented ethnic minorities hired in the U.S. Additionally, we continue to focus on increasing representation at Executive and Managing Director level for women globally (currently at 29%) and for colleagues from ethnic minority backgrounds in the U.S. (currently at 20%).

Alongside our targets to increase senior representation is our commitment to develop our talent and support underrepresented groups at all levels in their careers. This year, we launched a new global mentorship platform for colleagues to connect, promote skills development and grow their network, with over 750 employees signing up to take part.

Several of our DEI initiatives this year have centered on supporting parents and families. This included the rollout of a global minimum standard for parental support, as well as the improvement of our parental and adoption guidelines to provide a common framework for all employees. I am delighted to report that these enhancements have positively impacted team members across our global offices.

Our teams all over the world have shown a profound dedication to creating meaningful change by engaging in volunteer work, raising funds, and making donations. A cornerstone of our CSR efforts is education. We aim to empower and enable people from underprivileged backgrounds to participate and succeed. This past year, we reached a significant milestone by distributing 5,235 school bags to children across the globe, keeping us on pace to meet our ambitious goal of 10,000 school bags by the year 2025. I am thrilled to share that in 2024, we are embarking on an inspiring project to construct three new schools in Nepal, Senegal, and Guatemala. These schools will open doors to education for children who face limited opportunities for formal learning, representing a significant investment in their futures and the broader communities they are part of.

Finally, acknowledging our environmental responsibilities and incorporating environmental impact considerations into our operational planning is now a core part of our strategy. To that end, we have set an environmental strategy, published our carbon footprint data, and are working towards becoming Net Zero by 2040. We have also committed to setting climate targets, with an ambition to commit to the Science Based Targets initiative (SBTi) for climate action.

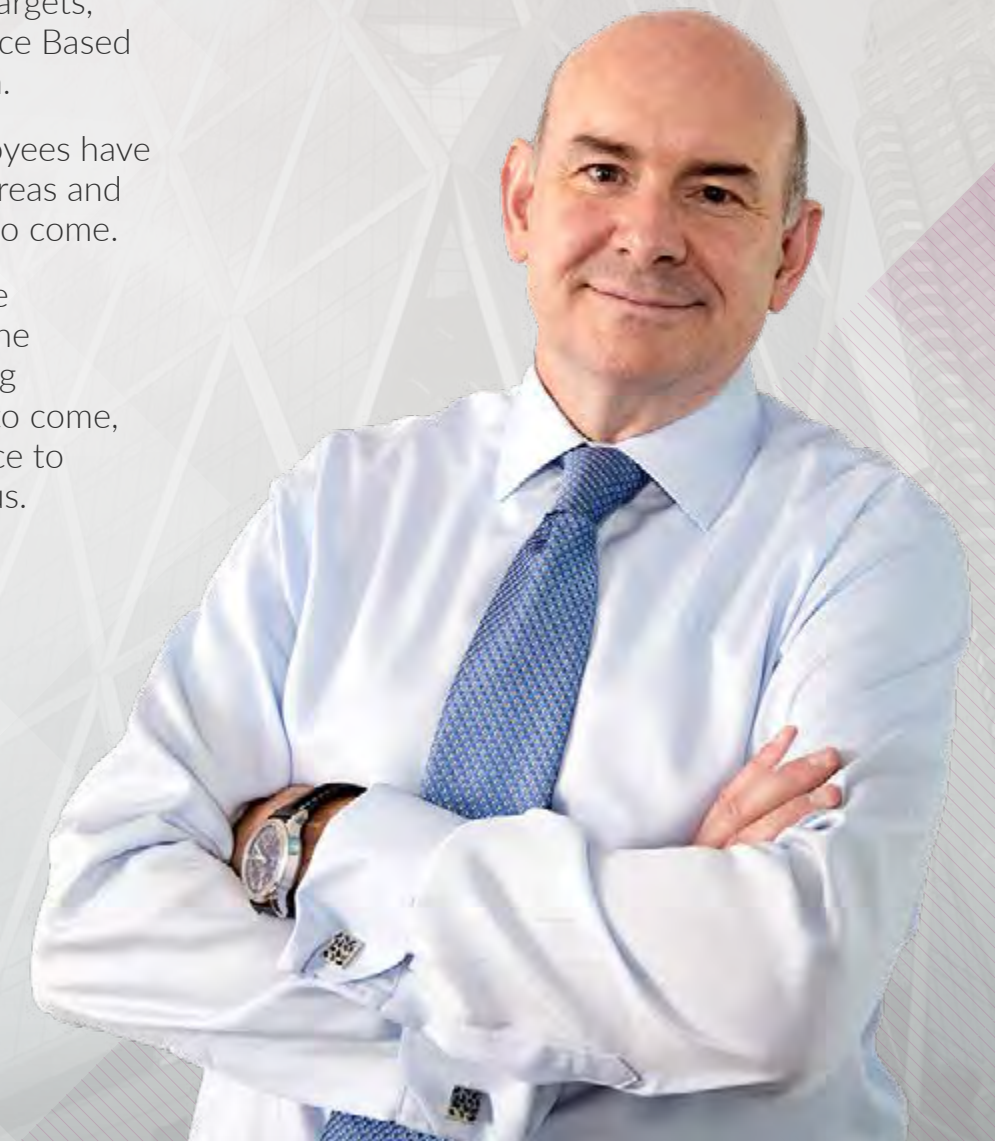
I am truly proud of the work Fitch employees have done in the past year to support these areas and look forward to the progress that is yet to come.

We are committed to fostering a positive influence within our workplaces and in the wider, global community. By championing sustainable practices through the years to come, we strive to make a meaningful difference to our stakeholders and the world around us.



**Paul Taylor**

President and CEO, Fitch Group



## Our people

Through Fitch's 100+ year history, our focus and advantage has always been our people. In recent years, our DEI initiatives have focused on building a stronger, more inclusive workforce that is empowered to create a positive impact for the communities we serve.

In 2023, Fitch has built on our legacy in advocating for workplace diversity and equity with initiatives that address identified barriers that people face. We are committed to increasing diversity in ethnicity and gender at all levels. By monitoring employee diversity data and pay gaps that exist within Fitch, we are making meaningful progress on, ensuring equal opportunity for all.

Strengthening our inclusive culture is another key focus. Our Employee Resource Groups (ERGs) play an important role in helping everyone at Fitch to understand others' lived experiences and become allies. We also ensure our employees and managers engage with training programs focused on removing bias and leading inclusively.

We are working to create a workplace where all members of the Fitch community can thrive. Through mentorship opportunities and a broad range of talent programs, we seek to nurture a culture of learning and help our people reach their career goals at Fitch.

**Our Diversity, Equity and Inclusion Strategy includes five pillars:**

**Workforce  
of the future**

**Equitable and  
inclusive culture**

**Industry  
leadership**

**Supporting our  
communities**

**Diverse and responsible  
supply chain**



## Developing and supporting our talent

We are committed to increasing diversity, ensuring equal opportunity for all and strengthening our inclusive culture where all members of the Fitch community can thrive.

These are some of our recent initiatives to support colleagues:

### Enhanced parental leave

We want everyone at Fitch to achieve their personal, family, and professional ambitions, irrespective of gender, gender identity, or gender expression, marital status, or any other characteristic protected by applicable law.

In 2023, we introduced a global minimum standard of 16 weeks' paid leave for all birthing parents, and 10 weeks' paid leave for all parents (additional for birthing parents). Providing a common framework for all employees, our global minimum standard for parental support enhances existing maternity and paternity leave guidelines globally. The support aims to offer a higher level of parental leave where local policies and legislation fall short.

### Supporting parents and caregivers

All Fitch employees have access to **Employers for Carers (EfC)**, an online support portal for working caregivers, and to **WorkLife Central**, an online platform designed to support, inform, and inspire professionals in their wellbeing and family and work lives.

### Demographical data collection campaign

In 2022, we started a demographical data collection campaign for our staff in all countries where data collection is legally permissible. It encourages voluntary self-disclosure of gender/gender identity, nationality, ethnicity, sexual orientation, disability, military service, caregiving responsibilities, and social mobility.



Parental leave meant a lot to me personally. I am very fortunate to work for a company that allows me to dedicate time to caring for my family. As a new parent, a lot is going on outside of caretaking that tends to get overlooked. Being able to step away from work allowed me to focus on these other aspects of my life. It helped me give my family the support they needed, as caring for a child is a full-time job.

**Vijay Narayanan**  
Project Manager, Fitch Ratings



Globally, Fitch employees have begun sharing their demographical data. For instance, 1.8% identify as having a disability, 2% identify as LGBTQ+, 1.1% report being a veteran, and 11% are caregivers.

Collecting this type of data allows us to gain a clearer picture of our workforce worldwide, so we can provide better support to underrepresented groups, inform policies, and set our DEI priorities.

### Creating mentorship opportunities

Fitch's firmwide support for career advancement is enabled by a culture of feedback, learning, and development. In 2023, we introduced a company-wide mentorship platform, MentorPoint, which brings together colleagues who want to receive or offer mentorship, providing pairings, resources, and training for a 12-month period. Mentoring also provides opportunities for employees with different backgrounds and experiences to meet with and learn about each other.

Over 750 employees signed up for our mentoring program in its first year, with over 500 mentor pairings underway. The user-focused platform allows mentees to find mentors from across business areas, geographies, backgrounds, and areas of expertise.

## Our path programs

Our *Path* programs are talent and leadership development courses designed to increase engagement and retention of diverse underrepresented talent across the organization.



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### ForwardPath

*ForwardPath* is a leadership development program designed to help Fitch improve its pipeline of female talent to senior leadership positions. A targeted investment in the promising women set to be future leaders in the organization, the program actively supports their professional development throughout their employment with Fitch.

57  
Women

have completed, or are currently participating in, the program since its launch in 2018.

+ 90%+ of  
Graduates  
have been promoted or have expanded job responsibilities.

+ 95%  
Retention  
of program participants.



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### TalentPath

*TalentPath* is a nine-month developmental program for our colleagues from underrepresented ethnic and racial communities. It is a learning opportunity that combines workshops, personalized career coaching, exposure to senior leaders, and a capstone project. Managers play an integral part in the program, with the goal of setting participants up for maximum development success.

75  
Participants

since the 2021 TalentPath inception.

+ 95%  
Retention  
of program participants.



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### CreditPath

*CreditPath* is a program that predominantly supports women who are ready to re-enter the workforce and U.S. Military Veterans who are ready to transition to the private sector.

49  
Participants

since the 2017 CreditPath Program inception.

+ Recent  
Expansion  
to include Military Veterans and opportunities in Technology.



## A culture of ongoing learning and development

Fitch supports career and professional development by offering our employees a wide variety of development opportunities. These include a broad range of technical, management and business professional skills courses.

In 2023, we sponsored 420 employees for courses such as professional qualifications, CFA training, and language training. This support is bolstered by a range of instructor-led training and e-learning resources, which enhance employees' knowledge, skills, and behaviors. Our DEI-focused learning offer includes:

### Minus the Bias

A bi-annual training course that helps all employees build awareness of their individual biases and learn how to mitigate them in the workplace. In 2023, 2,880 employees completed this training.

### Building an Inclusive Culture

Equips all people managers with the tools to foster a more diverse, equitable, and inclusive environment – within their teams and across Fitch. Since launching in 2019, 1,172 managers have participated in the program.

### Supporting our current and future managers

Our two manager development programs are Aspire (for those likely to move into management roles in the next 12-18 months) and Fitch Management Fundamentals (for new managers). Both programs lean heavily on DEI principles throughout, with topics ranging from how to lead fair and inclusive performance management to creating inclusive team working environments.

In 2023, 108 employees completed Aspire and 128 completed Fitch Management Fundamentals.

### License to Hire

A workshop launched in 2020 to help Fitch employees involved in hiring to engage in objective, consistent practices that are as bias-free as possible. 382 colleagues have attended the License to Hire workshop, with 171 accreditations.

### Chairing for Maximum Impact

Ensures leaders of our rating committees prioritize DEI principles to create a robust rating discussion. The course equips leaders to ensure every committee member's voice and perspective is heard. 392 colleagues have participated since this program started.



# Creating an equitable and inclusive culture

Our Employee Resource Groups (ERGs) provide a space for colleagues to celebrate culture, improve engagement, and create opportunities for learning and professional development. Our seven ERGs play an increasingly central role in helping drive Fitch’s DEI strategy and understand the needs of our colleagues, clients and communities.

Fitch ERGs work together and collaborate with external partners worldwide to create a meaningful impact within and beyond Fitch. A few examples of their work in 2023 include:

## Celebrating culture and supporting our communities

To mark Hispanic Heritage Month, Fitch BALANCE hosted eight events focused on giving back to communities, including one where Fitch BALANCE members packed dignity bags for homeless migrants in New York City and Chicago.

Fitch EMBRACE and Fitch InspirAsian also marked the month of Ramadan by hosting a series of celebratory, awareness raising events in the London, Chicago, New York, Taipei, Jakarta, Mumbai, and Dubai offices.

## Offering opportunities for education and support

The Fitch Pride Network, in partnership with **Out & Equal**, hosted the ‘Nonbinary and Beyond; Creating Gender-Inclusive Workplace for Everyone’ webinar. This offered employees valuable insights into LGBTQIA+ identities as we continue working to foster inclusion in and out of the workplace.

## Supporting green initiatives through volunteering

Fitch GreenWave has hosted educational sessions about the environment and held environmental cleanup events in several Fitch office locations, including Frankfurt, Chicago, London, and Hong Kong. Clean-up efforts resulted in 96 kilograms of litter being collected, ensuring 10 million liters worth of water would be free from pollution.

## Expanding support to caregivers at Fitch

The Fitch Working Parents Network expanded its scope to become the Working Parents & Caregivers Network, providing resources and support to employees with caregiving responsibilities beyond parenthood. The network provided webinars to its members on ‘Caring for Caregivers’ alongside partners **Welthy** in the U.S. and **WorkLife Central** in the U.K.

## Raising the bar for allyship

The Fitch Women’s Network has led a year-long campaign focused on allyship and advocacy. This included a series of newsletters with practical tips from colleagues from across the globe and a hybrid panel event ‘Allyship is a Two-Way Street’ focused on engaging all colleagues in active allyship.

## Fostering a culture of innovative thinking

InspirAsian held two design thinking workshops aimed at promoting effective problem-solving skills. The workshops provided Fitch employees with rich insights into how to creatively and collaboratively tackle challenges.



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# Our approach to attracting talent

At Fitch, our recruitment strategy upholds the highest standards of fairness and inclusivity. Building a team that reflects a broad spectrum of backgrounds, perspectives, and experiences requires a comprehensive approach to filling each open position. Since we recognize the importance of supporting talent (especially at entry level), in the past year we launched an on-boarding program.



## Building an inclusive culture

by training hiring managers and their teams in unbiased and equitable selection processes.



## Delivering a diverse candidate slate

with various direct sourcing methodologies.



## Removing potential underlying biases

with tools to analyze and refine job descriptions.



## Supporting new joiners

during their on-boarding process.



## Ensuring broader talent pools

by reviewing and defining core competencies and skills required for each open role.



## Broadcasting career opportunities

in collaboration with diversity-focused organizations and our ERGs



## Reflecting the culture and composition

of our organization with diverse interview panels.

## Supporting tech interns in Chicago

The City Scholars program provides students in technical and engineering disciplines with hands-on internship experience where they connect classroom theory to practical application.



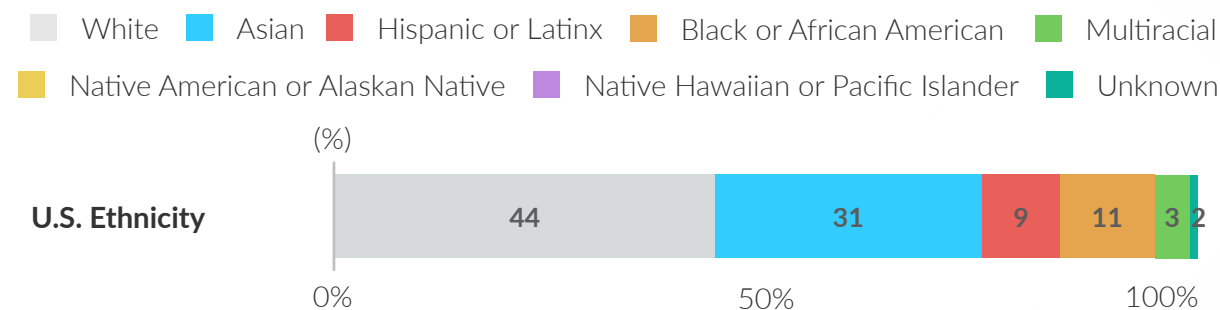
I would advise all eligible students to participate in the program, as it provides a great way for students to get in touch with professionals in Chicago that can accelerate your professional career.

**Natalie Gavin**  
Information Security Intern



## Highlights

### 2023 New hires - U.S. only:



Recruitment by ethnicity in the U.S.: **54%** of new colleagues are from underrepresented ethnic minorities.

There was a **11% YoY** increase in the proportion of underrepresented ethnic minorities in the U.S.

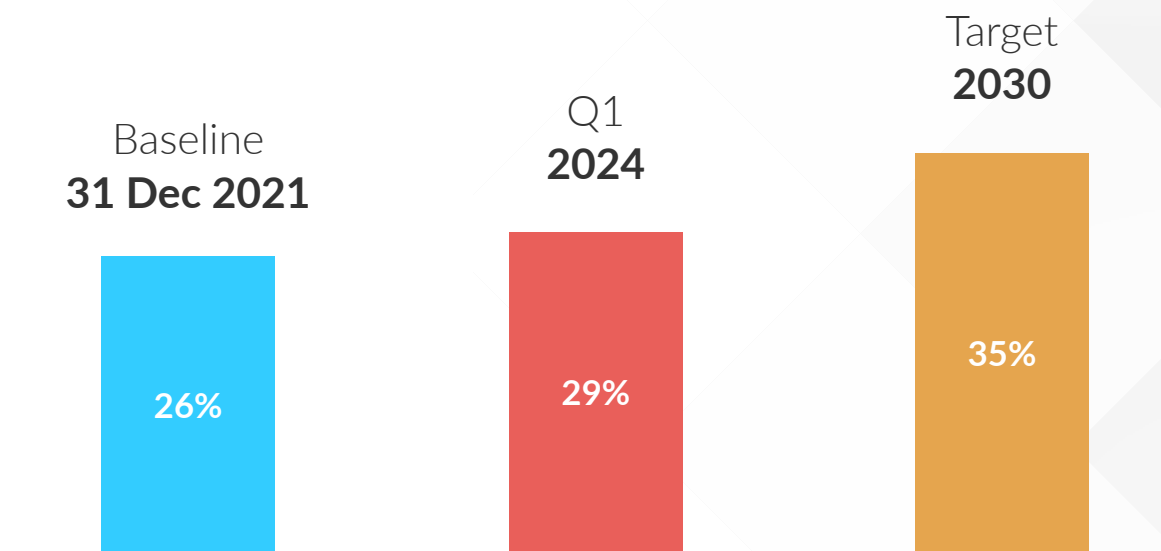
# Global gender diversity

We are committed to creating an inclusive environment that promotes gender equality and empowerment for all women at Fitch.

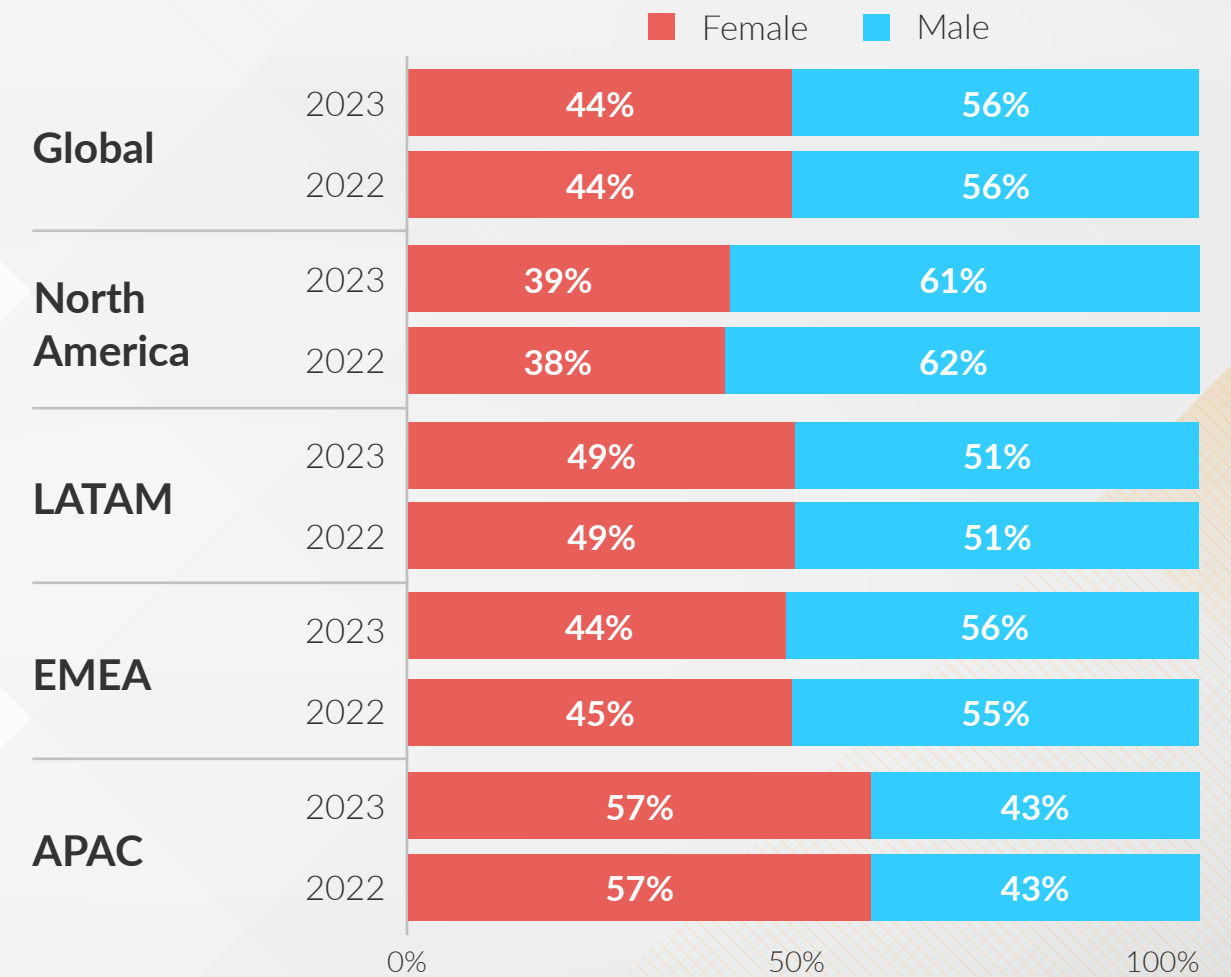
We have started making progress in our 2030 group gender target of 35% female representation at Executive and Managing Director level – increasing from 26% at the end of 2021 to 29% in Q1 of 2024. We have also put clear anti-discrimination policies and training in place, introduced a global parental leave standard, and we offer mentoring and career support.

## Group gender targets

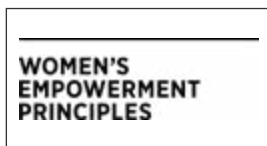
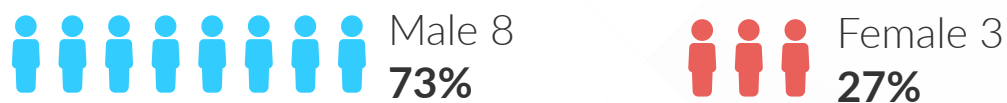
(Female representation at Executive and Managing Director level)



## Global and regional gender diversity



## Executive committee 2023

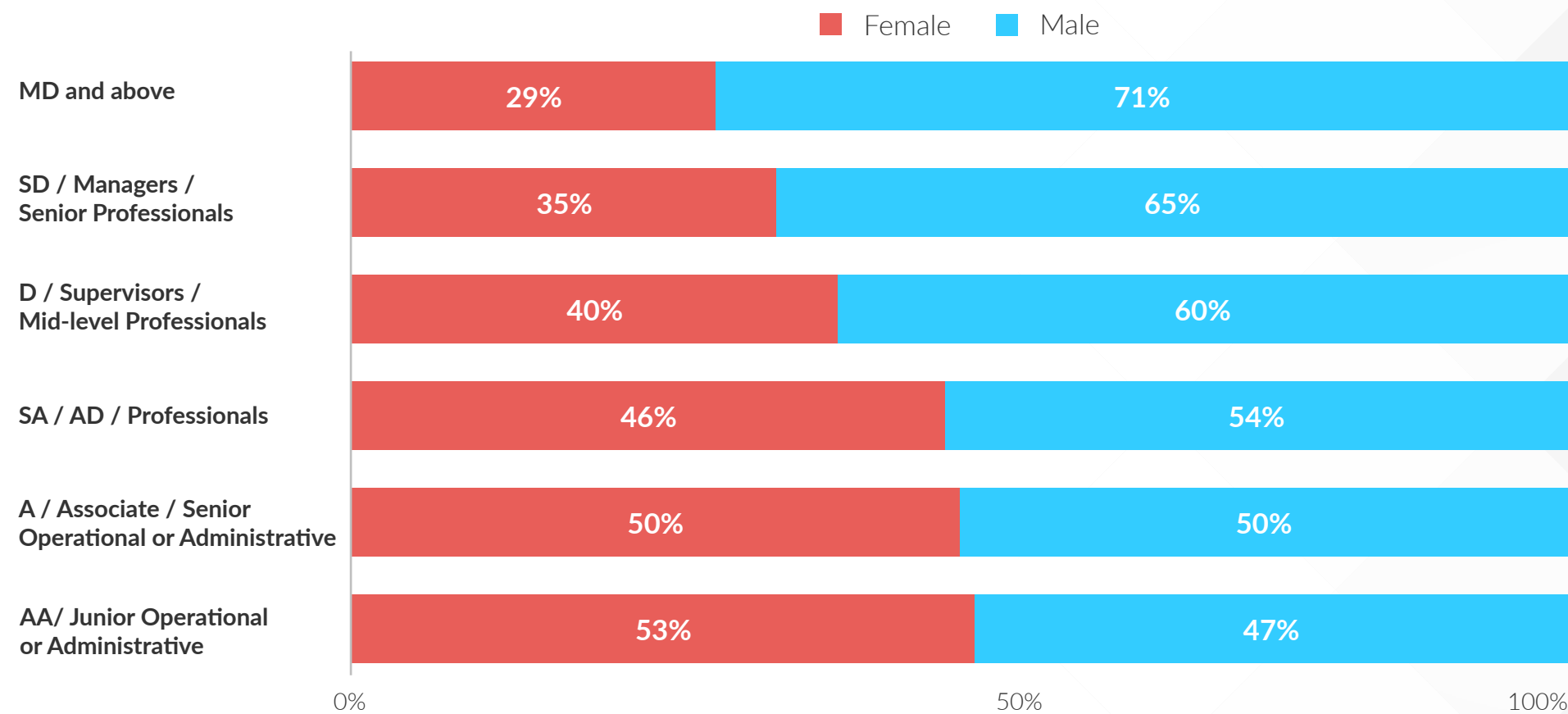


Signatories of the Women's Empowerment Principles.

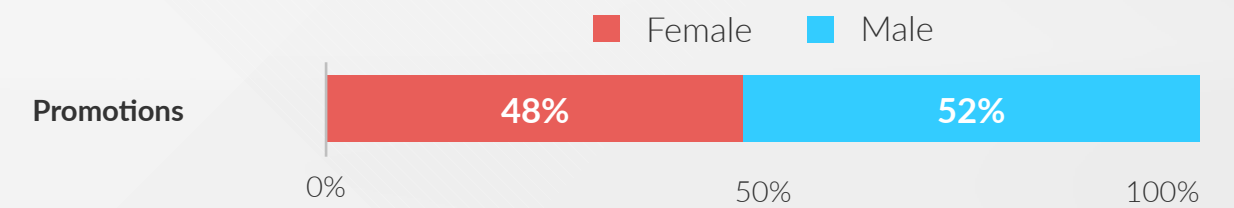
Source: Fitch Group. Data as of December 31, 2023, unless stated otherwise. Permanent employees only, excludes India Ratings, Fitch Bohua, Korea Ratings.

# Global gender diversity

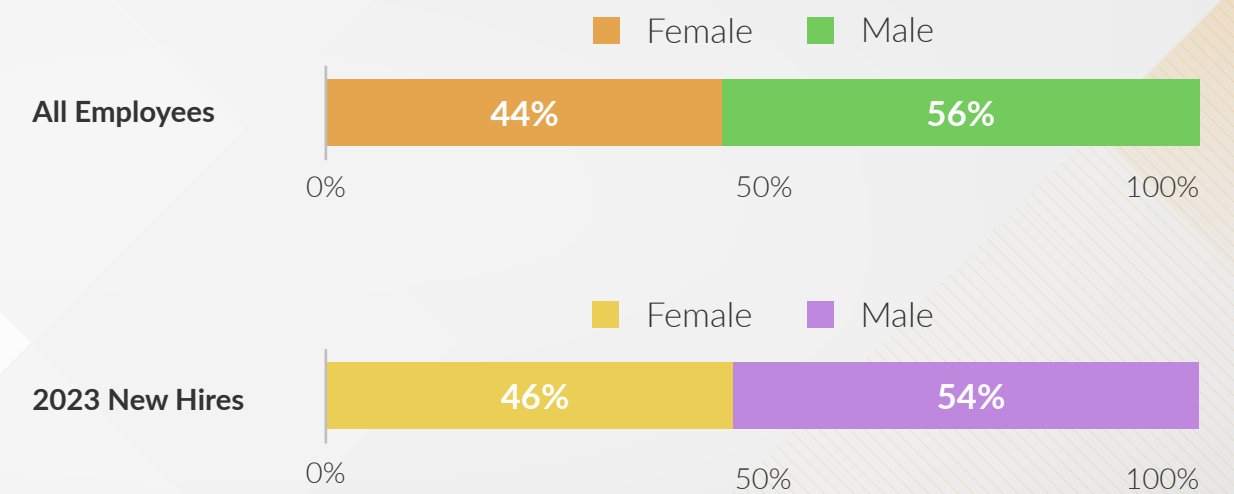
## Gender data per job level (global)



## 2023 Promotions data – global



## 2023 New hires – global



Source: Fitch Group. Data as of December 31, 2023, unless stated otherwise. Permanent employees only, excludes India Ratings, Fitch Bohua, Korea Ratings.

# Gender pay gap in the U.K. and the U.S.

The gender pay gap is the difference in average earnings between men and women in an organization. In other words, it reflects the imbalance in the share of total pay created by the distribution of men and women at different levels of seniority. However, it is not the same as equal pay, which relates to pay parity for men and women in the same role.

We have reported the U.K. gender pay gap at Fitch Ratings since 2018. This is the second year we are reporting data on Fitch Solutions.

Fitch is a global business and only 26.4% of colleagues are in the U.K. Since many groups and teams are multinational, no country's demographics are fully representative. Although calculating a global gender pay gap across 30+ countries is not feasible, applying the same basic U.K. methodology to Fitch's U.S. population accounts for around 60% of our total colleagues.

A key driver behind our mean and median gender pay gaps is the higher proportion of male employees in our highest pay quartile (Q4). Our actions to reduce the gender pay gap are therefore focused on increasing the proportion of female employees and MDs and building the pipeline of female talent at all levels within Fitch.

More information is available in our [U.K. Gender Pay Gap Report](#).

## U.K.

### Fitch Ratings & Fitch Group

#### Gender pay gap

**23.7%** Mean  
**20.1%** Median

#### Gender bonus gap

**68.2%** Mean  
**44%** Median

### Fitch Solutions

#### Gender pay gap

**10.3%** Mean  
**9%** Median

#### Gender bonus gap

**44.3%** Mean  
**11.1%** Median

### Proportion of females and males by pay quartile

Quartile	Fitch Ratings & Fitch Group		Fitch Solutions	
	Female	Male	Female	Male
Quartile 4	22%	78%	36%	64%
Quartile 3	44%	56%	45%	55%
Quartile 2	42%	58%	46%	54%
Quartile 1	58%	42%	50%	50%

## U.S.

### Fitch Ratings & Fitch Group

#### Gender pay gap

**12.9%** Mean  
**18.3%** Median

#### Gender bonus gap

**12%** Mean  
**28%** Median

### Fitch Solutions

#### Gender pay gap

**19.4%** Mean  
**17.2%** Median

#### Gender bonus gap

**57%** Mean  
**38%** Median

### Proportion of females and males by pay quartile

Quartile	Fitch Ratings & Fitch Group		Fitch Solutions	
	Female	Male	Female	Male
Quartile 4	30%	70%	16%	84%
Quartile 3	37%	63%	30%	70%
Quartile 2	47%	53%	29%	71%
Quartile 1	54%	46%	43%	57%

Source: Fitch Group. Data as of December 31, 2023, unless stated otherwise. Permanent employees only, excludes India Ratings, Fitch Bohua, Korea Ratings.

# Ethnic diversity in the U.S.

We continue to work towards a workforce that is representative of our community demographics. Our talent programs aim to support colleagues from underrepresented communities, and we are committed to improving representation in senior positions.

To help us better understand the composition of our workforce, we encourage ethnicity-self declaration through our demographical data campaign.

In addition, we have set U.S. ethnicity targets to broaden diversity among our colleagues and futureproof our workforce. As a result of these efforts, we have made improvements in the proportion of Black and African American colleagues at the Executive and Managing Director level, and we continue to work to improve our results across all of our ethnicity targets.

## U.K. Race at Work Charter



Fitch is a signatory of the Race at Work Charter.

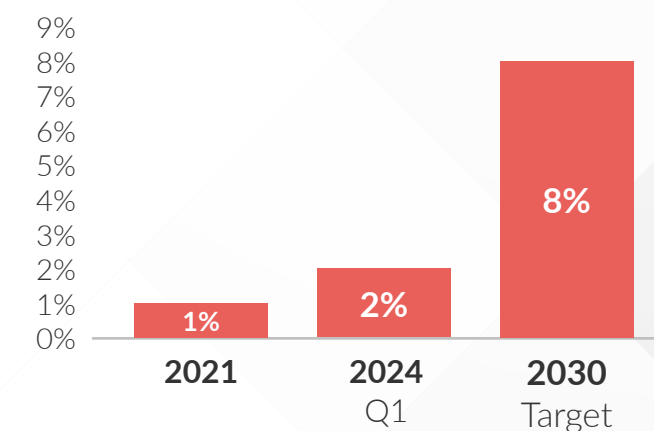
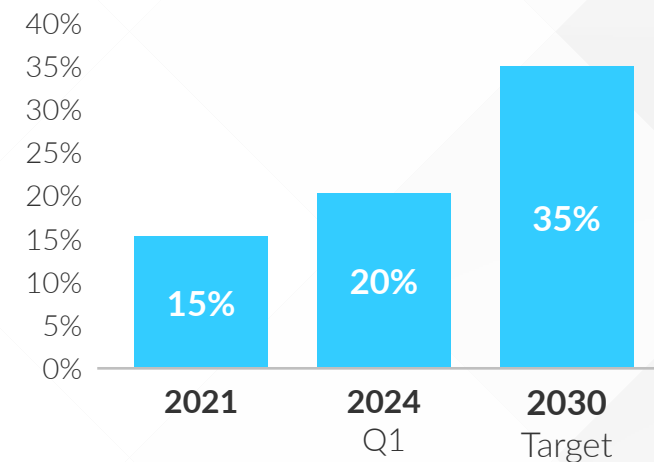


## U.S. Ethnicity targets

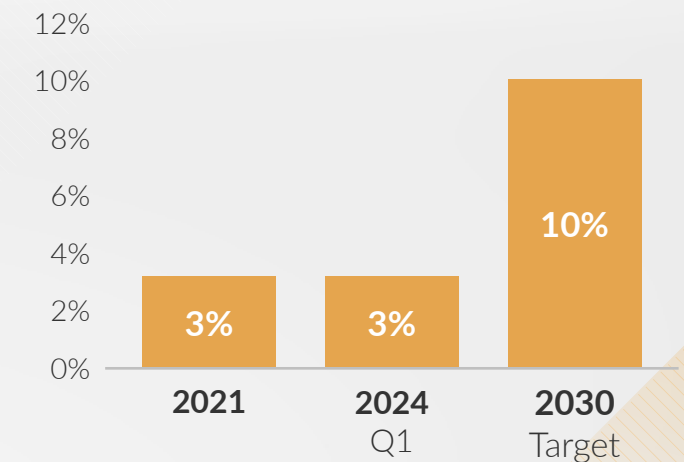
**Increase the proportion of underrepresented ethnic minorities (Asian, Black or African American, Hispanic or Latinx, and Other\*) at the Executive and Managing Director level.**

\*Two or More Races, Native Hawaiian or Other Pacific Islander, Native American or Alaska Native

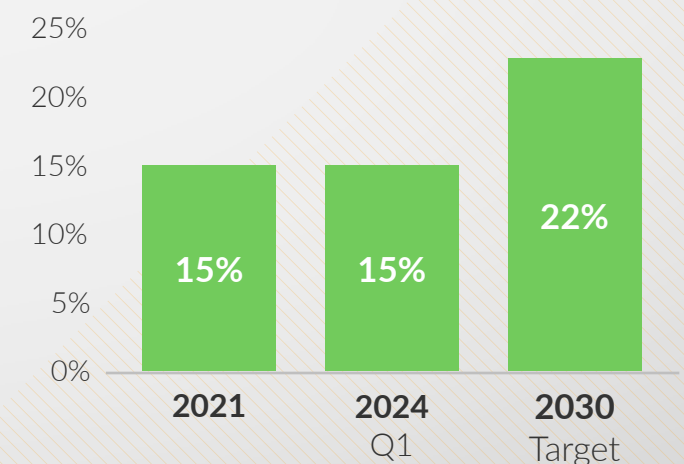
**Increase the proportion of Black and African Americans at the Executive and Managing Director level.**



**Increase the proportion of Hispanic or Latinx individuals at the Executive and Managing Director level.**



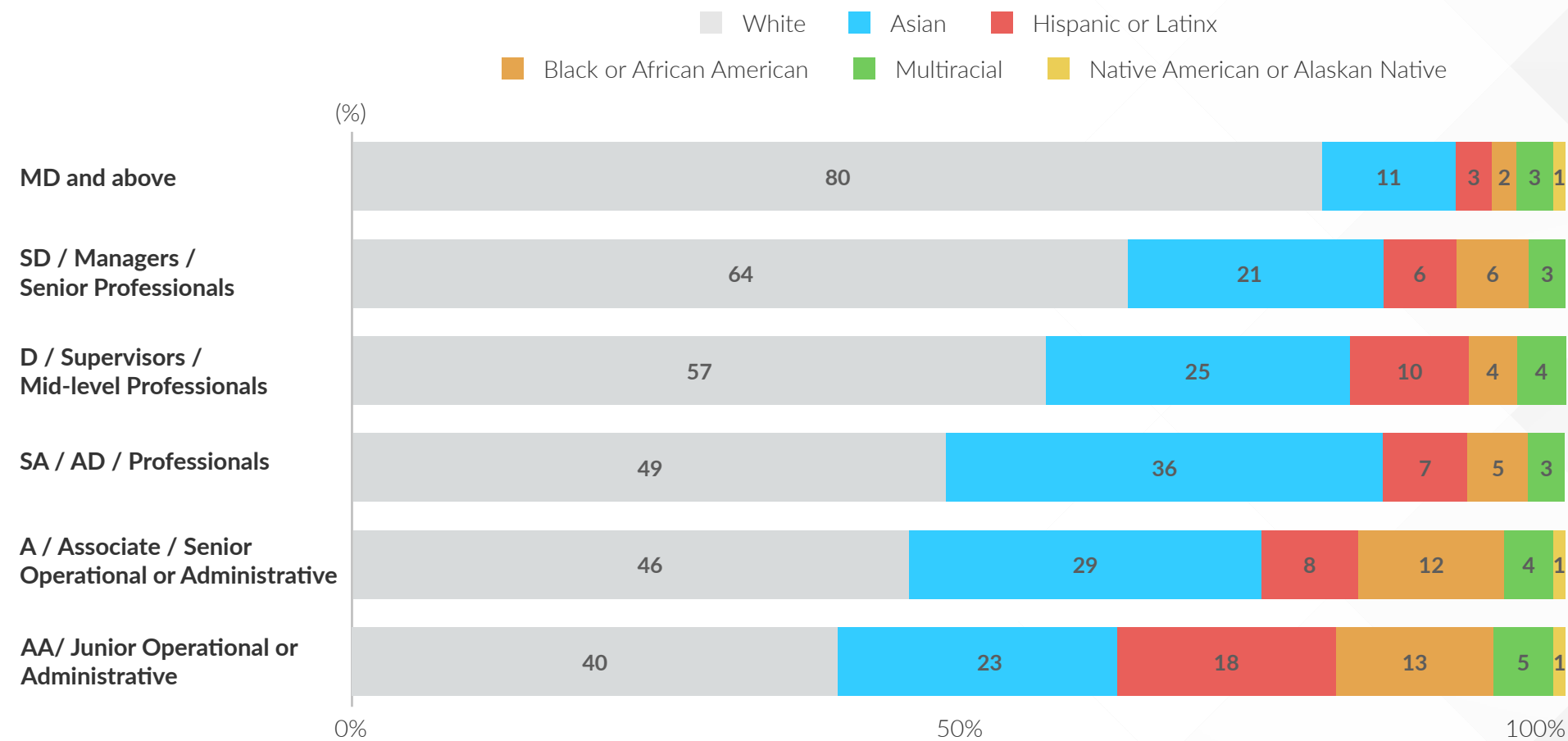
**Increase the proportion of Black and African American and Hispanic and Latinx employee workforce.**



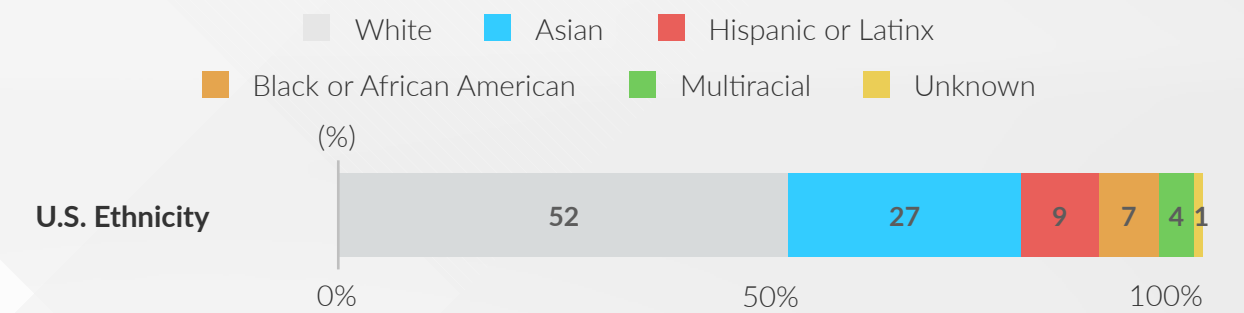
Source: Fitch Group. Data as of December 31, 2023, unless stated otherwise. Permanent employees only, excludes India Ratings, Fitch Bohua, Korea Ratings.

# Ethnic diversity in the U.S. across the employee lifecycle

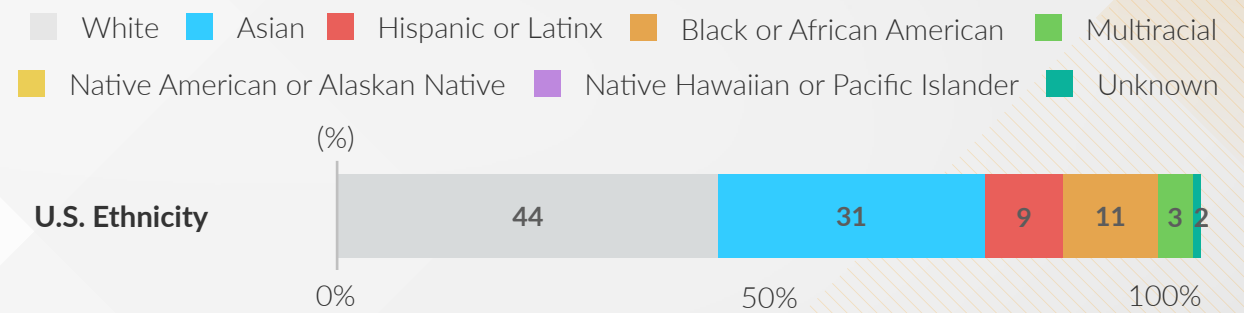
## Ethnicity distribution by job level – U.S. only



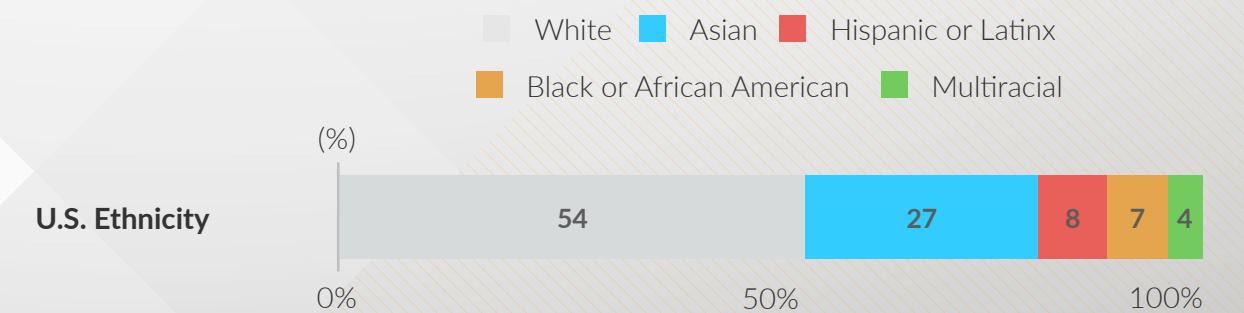
## 2023 Promotions data – U.S. only



## 2023 New hires – U.S. only



## 2023 All employees – U.S. only

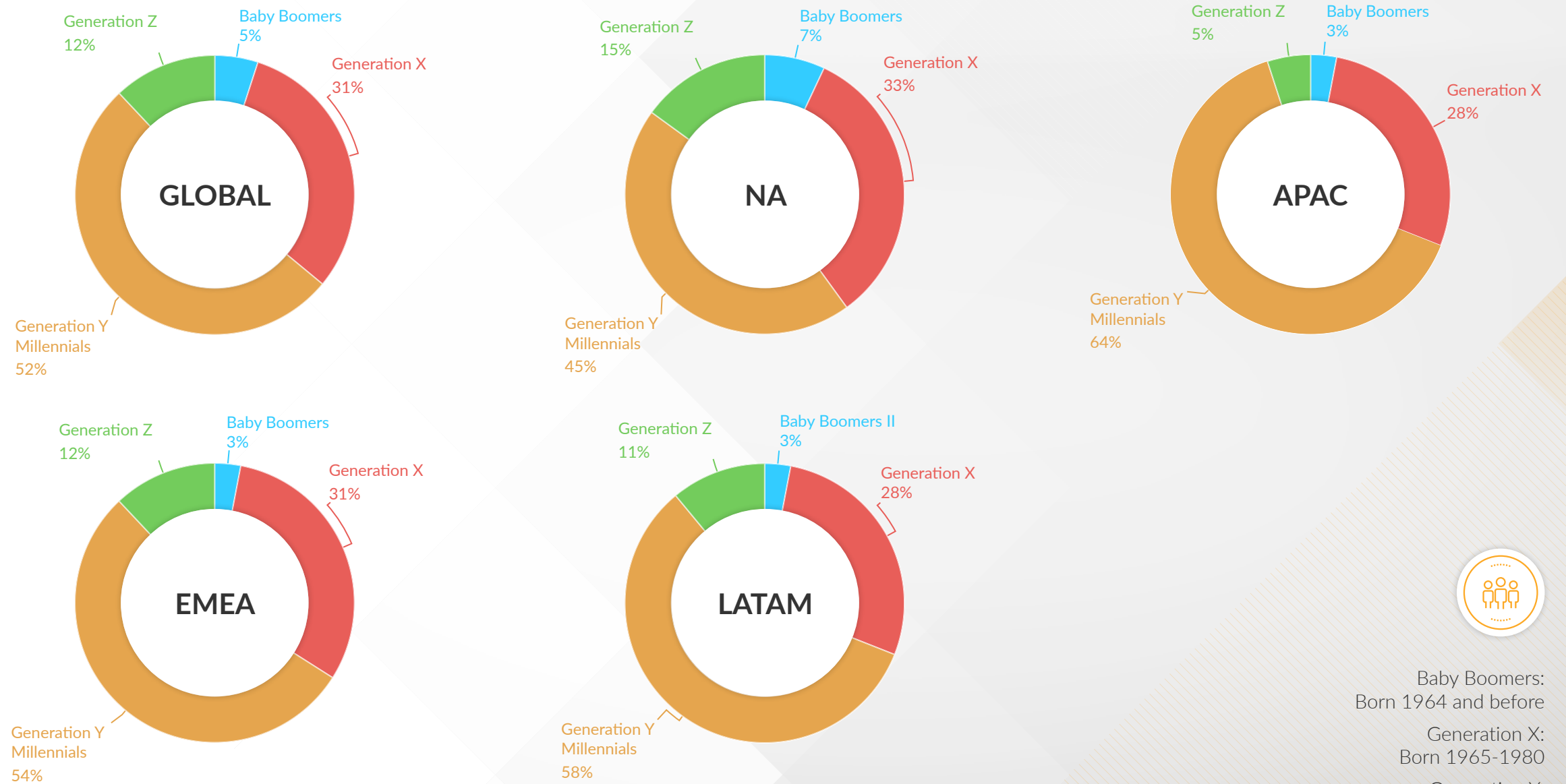


Source: Fitch Group. Data as of December 31, 2023, unless stated otherwise. Permanent employees only, excludes India Ratings, Fitch Bohua, Korea Ratings.

# Workforce representation across generations and nationalities

Across all regions, we saw a YoY increase in the percentage of Gen Z employees (from 9% to 12% globally), and a decrease in the percentage of Gen X employees (from 34% to 31% globally).

## Generations:



In 2023, Fitch employees represented **99 nationalities**.



Baby Boomers:  
Born 1964 and before  
Generation X:  
Born 1965-1980  
Generation Y:  
Millennials Born 1981-1996  
Generation Z:  
Born 1997 and after

Source: Fitch Group. Data as of December 31, 2023, unless stated otherwise. Permanent employees only, excludes India Ratings, Fitch Bohua, Korea Ratings.

# Our communities

We focus our community work on the areas where we can have the greatest impact through supporting education and employability. Our CSR mission is therefore to equip people with the knowledge and skills to thrive and build stronger communities.

We support organizations that enable equitable access to education. Together with our charity partners, we promote social mobility by striving to unlock the potential of talent from low-income backgrounds.

## Raising funds to support Morocco's Earthquake Relief

In September 2023, a powerful earthquake struck western Morocco, killing over 2,900 people and injuring over 5,000. In response, Fitch employees collectively donated over \$34,000 to support earthquake relief.

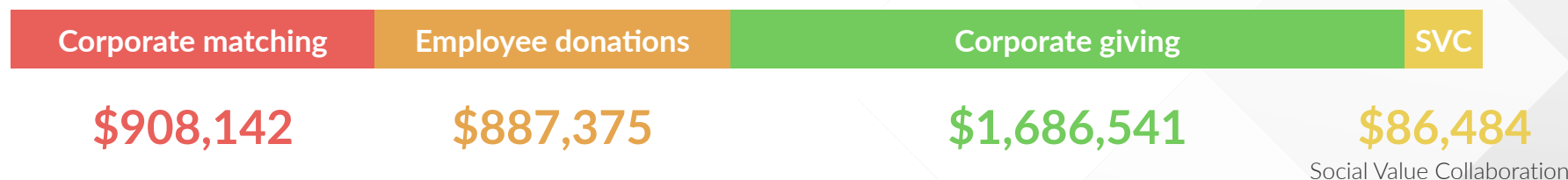
### Fitch Community in numbers:



**\$3,568,542** Total donations



FitchGroup



When the devastating earthquake in Morocco struck, and I had received word from family and friends in the midst of chaos, I wanted to be of help. When Fitch reached out to see how they can be of help, they also started a fundraiser where they matched all donations. This truly made me proud to be a part of the Fitch community.

**Zakaria Tabit**  
Associate Analyst, Fitch Ratings





# Promoting access to education through innovation

Education is a basic human right that should be accessible to all. Yet globally 250 million children and young people are still out of school.

To help address this problem, in 2023, we launched the Fitch Global Education Challenge in partnership with **Social Shifters**.

The program brings forward innovative ideas, projects, and business solutions to support access to free, high-quality education. We received over 460 applications from young people all over the world, proposing bold, innovative ideas to advance quality Education in their communities (UN Sustainable Development Goal #4).

Participants gained free access to the Social Shifters' Digital Incubator program, with e-learning, exclusive events, and online coaching. 164 colleagues also supported the Global Education Challenge providing more than 400 hours of volunteering.

After a rigorous selection process, seven finalists from Nigeria, Rwanda, India, Kenya and Vietnam were invited to present their ideas at the final pitch event.

## Winner \$10,000 prize

### AI technology to open access to sexual health education

Social startup, StandWeSpeak (India), was awarded a \$10,000 prize for developing Mae, an AI-powered sexual and reproductive health platform. This anonymous, non-judgmental, one-stop chatbot empowers young people to make informed decisions about their bodies and relationships and improve their health and wellbeing outcomes.



## Runners-up \$5,000 prize each:

### Foris Labs

A gamified 3D virtual science laboratory brand simulating a real science lab environment. This allows students to conduct science experiments individually and in groups interactively via their mobile phones or laptops (online and offline).



### IndiGenius

A software that enables automatic interpretation for live conferences and translation of content in multiple African dialects as well as a multilingual, voice activated keyboard product, empowering Africa through inclusive technology.



Through the Global Education Challenge with Social Shifters, we support young entrepreneurs whose ambitions are to increase access to free and high-quality education for all with innovative ideas that have impact and the potential to scale.

**Rachel Lojko**  
Chief Commercial Officer,  
Fitch Solutions



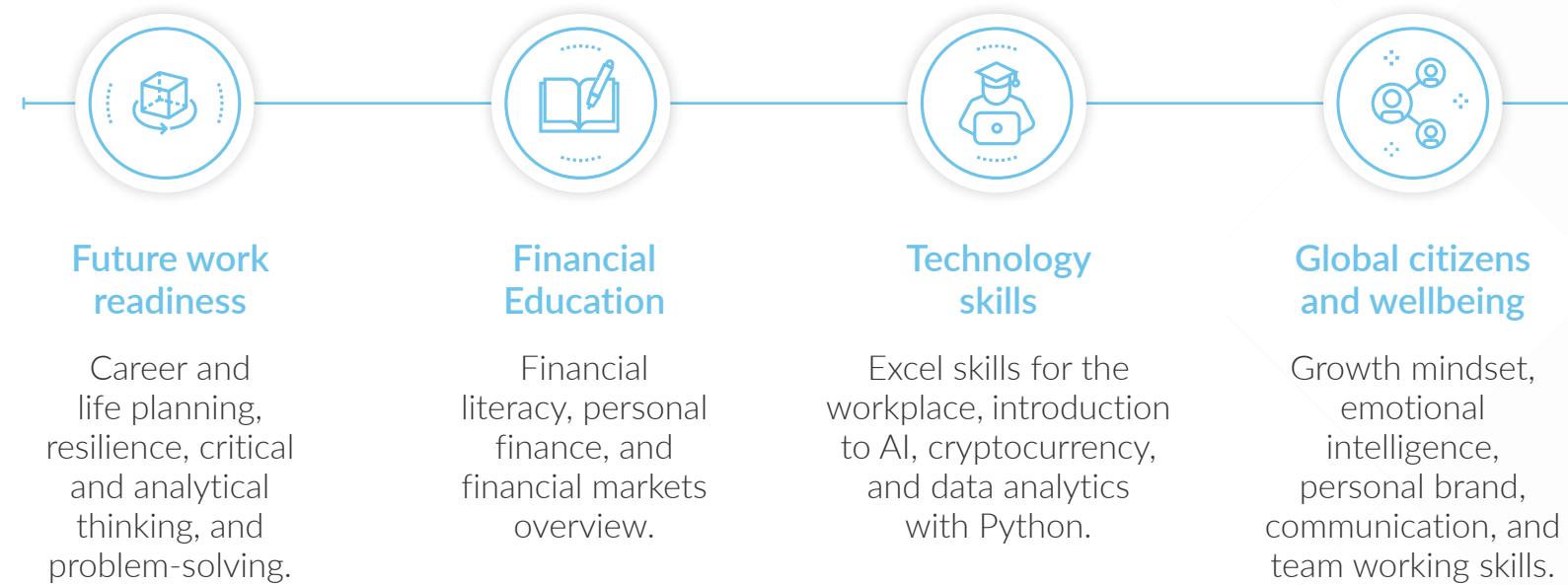
This partnership exemplifies our shared commitment to positive social change and the Global Education Challenge.

# Supporting social mobility

## Fitch Young Leaders Path Program

Our education program delivered by Fitch Learning supports social mobility in our communities by improving the employability and financial education of students aged 14–17 in underserved areas. This year, the workshops brought together students, expert trainers, and volunteers in London, New York, and Singapore.

The program covered four key areas:



Fitch volunteers also joined career speed-networking sessions to inspire students to think about their future education and the world of work.



I enjoyed the Fitch Young Leaders Program, particularly how focused it was on developing key skills and putting me and my cohort in scenarios that reflect skills that I need to work within the financial services and that I can talk about in interviews to help me get a job in the sector. Soon after the program, I secured an apprenticeship where I applied the skills I had gained such as my increased commercial awareness, teamwork, and even some of the more technical skills such as Microsoft excel skills.

**Idris Adeleye**  
London Program



## Key CSR initiatives

We seek to establish enduring and innovative partnerships that generate meaningful change in communities globally, with a special focus on the regions where our employees reside.

### Goal 1:

#### To empower 2,000 girls by 2025

As part of our commitment to education, we partnered with Inspiring Girls International. Our joint program empowers girls to succeed in school and life by building their skills, knowledge, and confidence. The program provides role models, information, and access to skill-building opportunities to broaden girls' horizons and positively impact the decisions they make about their future education and career direction. Fitch volunteers become role models and sources of inspiration for the girls through the partnership. In 2023, we reached over 1,000 girls in Mexico, Spain, Singapore, and the U.S. and expanded to Brazil and the U.K.



### Goal 2:

#### Build three schools in 2024 in Senegal, Guatemala and Nepal

Fitch has committed to building three primary schools in 2024 to support access to education for children in partnership with **BuildOn**. Work has started and we look forward to sharing our progress in our next report.



Fitch supports Educambio in its efforts to improve educational access and quality in the community of El Llanito in El Chocó, Colombia, which is home to the nation's largest Afro-Colombian population.

Fitch volunteers from our Bogotá office donated **420 books** and **128 notebooks**. **200 school kits** were also provided to support education in El Chocó.

### Goal 3:

#### 10,000 school bags by 2025

In our effort to promote education for children across the globe, we committed to providing 10,000 school bags by the year 2025. As of 2023, we have delivered 5,235 school bags to children with limited access to school supplies.

## Partnership highlights

### £500k raised for mental health awareness

Fitch Ratings convened experts from the leveraged finance and special situations sectors to raise £500,000 for the **David Riddell Memorial CIO**, an organization dedicated to raising awareness about the prejudice and stigma associated with mental health crises.

### Promoting English language skills in Hong Kong

Fitch supports **Chatteris' 'World City, World Education' program**. This nine-month program aims to help improve secondary students' English language skills outside their school curriculum through interactive and engaging after-school activities such as hikes, competitions, and in-office workshops.

### Investment grade community supports access to education

Fitch Ratings and the members of the Investment Grade community gathered in New York for the second annual 'Making the Grade' charity event in September 2023. The event, co-sponsored by Fitch, drew over 360 professionals from the sector, including representatives from major investment banks, investors, issuers, and law firms. It raised over \$450,000, with all funds raised donated to **A Better Chance**, a nonprofit organization that helps students from underserved communities nationwide get equal access to higher education.

### Coding for a cause

Building on the momentum of the inaugural Fitch Codeathon in Chicago in 2022, we expanded the event in 2023 to include a second edition in Chicago and a new location in London.

Codeathons are competitive events where developers showcase their coding skills as they race against the clock to build an original and functional prototype of an application.

Each Fitch Codeathon supported a charitable cause and showcased the potential of technology and data skills to create positive social change.

In London, Computer Science students worked together to create an app to help **Friends for Bulgaria**, a charity for children in institutional care without parents or family.

Meanwhile, the Chicago Codeathon focused on the goal of redesigning the website of **Big Shoulders Fund**, a charity that supports inner-city schools. The coders participating in this Codeathon were also all members of Break Through Tech, a nationwide organization dedicated to the advancement of women and non-binary people in technology.



# Creating pathways for learning and success in South Africa

Fitch Solutions South Africa is committed to its Broad Based Black Economic Empowerment (BBBEE) Project, a key part of which involves continuing to provide bursaries to students from underprivileged backgrounds.

In July 2023, Fitch invited a cohort of six students to meet colleagues and spend the day at the team's new offices in Pretoria. They enjoyed valuable insights into career paths at a business like Fitch and saw different examples of the options available.

We will continue to support this program in 2024 by providing financial assistance to 11 students and preparing students for success with additional events such as CV and interview skills workshops.



## Increasing diverse representation in media

**Bloomberg New Voices** provides media training to female executives in business and finance, so they are 'TV-ready' for interviews and other press appearances. In 2023, Chiedza Madzima, Head of Operational Risk Research and Head of South Africa Research, BMI, was chosen to participate.

Chiedza was later invited to be part of the Bloomberg BNSHESAID South Africa in Focus: Reviving Economic Growth series, during South Africa's Women's Month. Alongside three other senior female leaders, she was part of a panel on South Africa's commodities boom and was quoted in an accompanying [article](#) on the topic.



It was truly inspiring to meet the students. They are incredibly talented and motivated to change not only the circumstances of their families, but also the circumstances in their respective communities. Many of the students are among the first to have the opportunity to go to university.

**Zolani Nkomo**

Account Manager, Fitch Solutions



Investment in education can be a life changing opportunity for young people. It was amazing to be part of this initiative and to contribute to the discussions with students about their career paths, ambitions, goals, and motivation.

**David Kirk**

Senior Director, Fitch Solutions



## Our social value collaborations

Social Value Collaborations serves as a bridge between our DEI and CSR strategies and our customers and partners. We work together with industry stakeholders to help underrepresented groups increase their skills and employability, collectively contributing to a society that is fair and well equipped for the future.

### Partnerships to support women

In 2023, Fitch partnered with **Luminary** to deliver executive coaching to female employees who want to advance professionally and personally.

We are also strategic sponsors of the CFA Institute's **Young Women in Investment Program**, and, in partnership with our Women's Network, provide annual **100 Women in Finance** memberships to our employees.

### Diversity in treasury program

Fitch partnered with the **Association of Corporate Treasurers (ACT)** to provide free treasury qualifications to Black and Asian students living in the U.K. and Europe. Last year, we co-funded 58 scholarships for its Certificate in Treasury Fundamentals (no entry requirements) and 20 scholarships for our Certificate in Treasury qualification for qualified accountants through ICAS, ICAEW, ACCA and CIMA, or their reciprocal bodies.

### Promoting women in finance in New York and London

In 2023, we continued our annual Women in Leveraged Finance Receptions, with the sixth in London and the seventh in New York. For the London event, Fitch invited **Womankind Worldwide**, an international women's rights organization that champions a variety of women's rights groups from Eastern and Southern Africa and South Asia. These groups challenge inequality at home, in the workplace and in communities, and represent highly marginalized populations including LGBTQIA+ women, women with disabilities, young women, indigenous women, and women in the criminal justice system.

### Bringing together women leaders in the aviation industry in Singapore

In 2023, Fitch Ratings was also a global sponsor with Advancing Women in Aviation (AWAR) of their **Annual AWAR Leadership Luncheon** in Singapore. AWAR is committed to promoting the development and advancement of women leaders in the aviation industry. Katie Chen, Senior Director of Financial Institutions at Fitch Ratings, joined the panel discussion on 'Accelerating the "S" in ESG'.



### The Council of Black Leaders in Finance

**The Council of Black Leaders in Finance (CBLF)** hosted its annual Signature Event at Hearst Tower, welcoming over 200 finance leaders representing over 70 firms in celebration of diversity and Black contributions to finance.

CBLF seeks to empower Black leaders in finance through relationship building, business development, and professional development opportunities, while also inspiring the next generation of Black finance leaders. Since its founding two years ago, CBLF has grown to over 500 members, representing more than 70 different firms.

## Industry leadership

### Fitch Learning

a FitchSolutions Company

Fitch Learning engages with clients and the wider financial services industry to deliver a range of DEI-focused training programs and events.

Activities include roundtables on diversity in the workforce, the Inclusivity and Women in Financial Services webinar series, and technical and professional skills training sessions for diverse cohorts of major clients in the financial industry.

#### Supporting young talent

Fitch Learning launched its first **Financial Services Careers Accelerator** program in the U.K. in 2023. Designed to help young people from underrepresented groups secure apprenticeships within the financial sector, the free 10-week program covers professional skills development and the CISI Level 2 Fundamentals in Financial Services qualification. After completing the program, learners received ongoing support to secure an apprenticeship in the financial services sector.

#### Young Women in Investment

In partnership with **CFA Institute**, we delivered a four-week bootcamp in the U.K., Brazil and India designed to help women from a variety of backgrounds enter the financial services industry. Participants complete an investment and research challenge during this intensive course, making final presentations at the end of the program.

#### Highlights: Financial Services Careers Accelerator



**93%** of all participants are from underrepresented ethnic groups and **68%** qualify for free school meals.



**28** young students have completed the program with **11** successfully securing an apprenticeship.



# Promoting health and wellbeing

Fitch is committed to promoting health and wellbeing in our workplace. We support staff with a wide range of related resources including:

- **Access to mental health training and resources** through the **Unmind App**, an employer paid resource offering a range of tools for improving sleep, self-care, mindfulness, and building resilience.
- **Employee Assistance Programs (EAPs)** offering all employees and their immediate family access to financial and legal services, and support with dependent care and stress management.
- **Mental Health First Aiders (MHFAs)** who have been trained in EMEA, APAC, and North America to offer support to colleagues globally in confidence, as well as a network of Wellbeing Champions across all regions who play an important role in helping colleagues feel connected and supported.

## Supporting men's health and wellbeing

To mark International Men's Day in November and raise awareness of men's health, colleagues worldwide raised over \$10,600 to support the **Movember Foundation**.

## Raising awareness of menopause at work

During Menopause Awareness Month, the Fitch Women's Network hosted 'Menopause: The Hot Topic'. This webinar focused on raising awareness of the impact menopause symptoms can have at work and how employees can promote a menopause-inclusive environment. Awareness raising activities like this help create a more supportive culture and increased conversations around menopause throughout Fitch.

## Walking together

Fitch Walks are an employee-led activity promoting wellbeing in the workplace. Colleagues get together to walk, take a mental break and explore routes close to our offices in London, New York, Frankfurt, and Manchester.

## Measuring and managing a team's wellbeing

Fitch has engaged in a pilot partnership with **Quan** – a startup whose mission is to take a team-centric approach to improving the wellbeing of teams and organizations.

Quan, previously supported by the **HearstLab**, offers a one-of-a-kind product, which targets improved performance and wellbeing by putting the manager and their team in charge, encouraging them to develop their own solutions.



I think we need to recognize the importance of embracing mental health in a similar context to our physical health, minimizing any related stigma. As someone who has used our mental health resources for myself and my family, I would encourage colleagues to take that difficult first step in your mental health journey, which is having a conversation.

**Mike Paladino**  
MD, Global Head. Fitch Solutions





# Our commitment to the environment

Fitch has committed to Net Zero by 2040 in alignment with the Paris Agreement and prevailing climate science. As a roadmap to achieve our Net Zero ambitions, we have developed an environmental strategy with the following pillars:

## Net Zero & science based targets



- Achieve Net Zero emissions by 2040.
- Commit to SBTi and set targets in line with SBTi<sup>1</sup>.

## Responsible corporate behaviour



- Monitor and reduce the consumption of resources and materials, aiming for a zero-waste target.
- Incorporate circular practices in our operations, focusing on e-waste from our hardware.
- Partner with suppliers that comply with Fitch's Supplier Code of Conduct and have carbon reduction targets in place, to aid in achieving our Net Zero target

## Promote environmental literacy



- Increase awareness on environmental and sustainability issues within the business.
- Foster employee feedback mechanisms on environmental issues.
- Develop and implement an Environmental Policy and training for all employees.
- Demonstrate Fitch's thought leadership with existing market presence and internally developed materials to promote environmental literacy to our customers and other stakeholders

## Increase transparency of environmental performance



- Report on Fitch's sustainability progress.
- Align to credible, internationally accepted standards.
- Ensure Sustainable Fitch standards are applied to Fitch Group ways of working, in conjunction with the environmental risk matrix.

1. <https://sciencebasedtargets.org/how-it-works>

## Emissions reporting

To calculate Fitch Group's 2023 greenhouse gas emissions (GHG), we have followed the guidance and principles set out by the World Resources Institute GHG Protocol, a Corporate Accounting and Reporting Standard, Revised Edition ('the Protocol')<sup>2</sup>. Our approach follows the Protocol's guiding principles of relevance, completeness, consistency, transparency, and accuracy.

We have taken a financial control approach, meaning the inventory covers GHG emissions from all operations under our financial control. Our GHG inventory covers our global emissions across the five regions we operate from. Emissions have been calculated and reported in line with the 2023 calendar year.

We have calculated the direct GHG emissions associated with our company ('Scope 1'), as well as the indirect emissions associated with our use of purchased electricity ('Scope 2'). We are 'dual-reporting' our Scope 2 emissions to ensure we disclose transparently our overall 'location-based' emissions, i.e. those associated with average grid emissions, as well as our 'market-based' emissions, which reflect electricity procurement.

In addition, we have included emissions associated with our value chain ('Scope 3'). To ensure our understanding of our full impact is as complete as possible, we have included all relevant Scope 3 categories as outlined in the GHG Protocol. The remaining categories were deemed not applicable to our business.

A data hierarchy approach has been applied throughout, favoring primary data. To calculate our Scope 1 and 2 emissions, electricity and fuel consumption data was collated from our sites. Where primary data was not available, we applied the best available benchmarks from a range of sources. GHG emission factors have been chosen based on the location of the emissions, however, where emission factors were not available, U.K. Government emission factors have been applied.

To calculate our Scope 3 value chain emissions, we obtained primary data and used supplier specific data where possible. Where this was not available, we applied a spend-based approach using Environmentally-Extended Input-Output (EEIO) factors from the U.S. Environmental Protection Agency.

2. WRI GHG Protocol Corporate Standard. Available here: <https://ghgprotocol.org/corporate-standard>



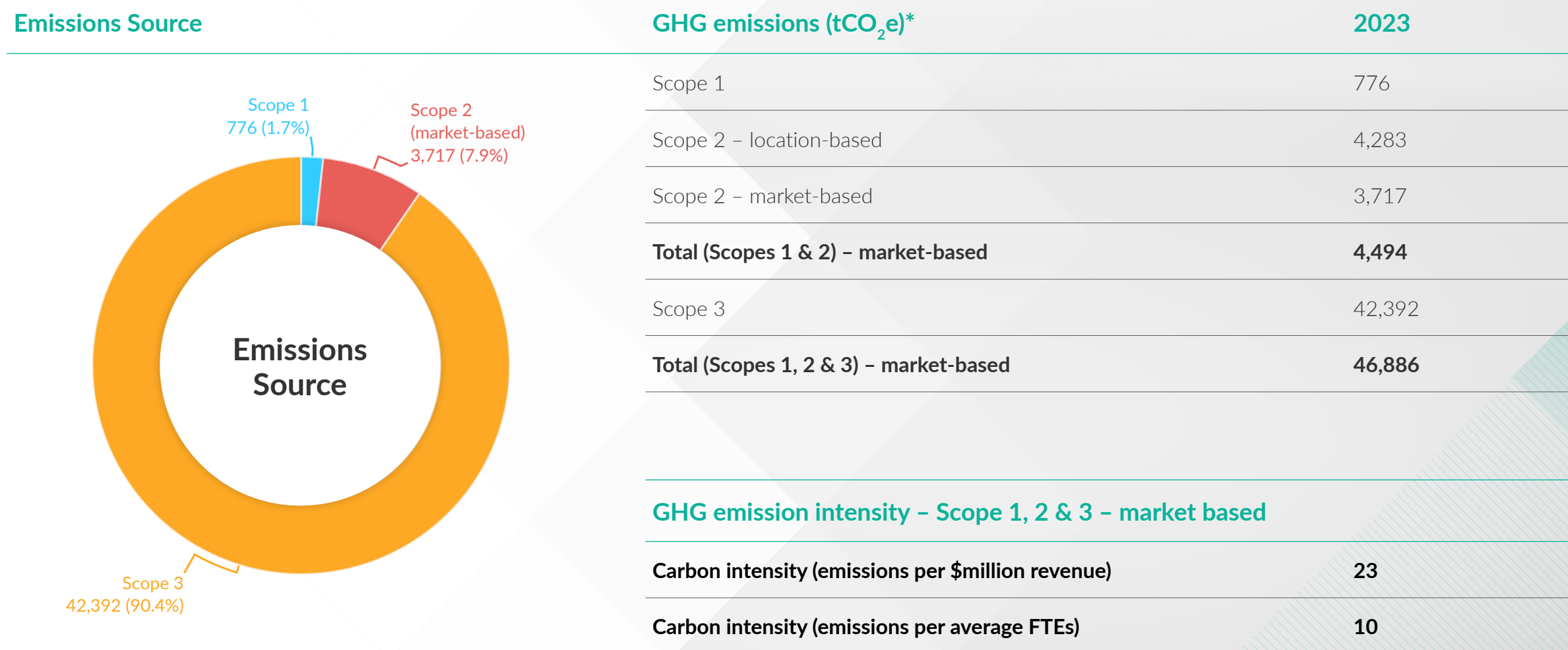
Fitch has  
committed  
to **Net Zero**  
by 2040

# Emissions reporting continued

In 2023, 10% (4,494 tCO<sub>2</sub>e) of our emissions fell into Scopes 1 and 2<sup>3</sup>. The largest contribution to these emissions was from electricity used in our offices, which accounted for 78% (3,485 tCO<sub>2</sub>e) of total Scope 1 and 2 emissions. Direct combustion of fuels accounted for 17% (756 tCO<sub>2</sub>e) of total Scope 1 and 2 emissions, with the remaining 5% (252 tCO<sub>2</sub>e) originating from imported heat, cooling and other fuel consumption.

90% (42,392 tCO<sub>2</sub>e) of our emissions fell into our Scope 3, our corporate value chain emissions. Scope 3 emissions, many of which are under a reporting organisation's influence but not control, typically make up the largest proportion of a company's carbon emissions, particularly when Scope 3 emissions are comprehensively calculated, as we have done so in this year.

To compare our GHG emissions annually and with our peers, we have calculated two intensity metrics, comparing our emissions to revenue and full-time employee numbers, included in the table.



\*GHG emissions reported in metric tons CO<sub>2</sub> equivalent (tCO<sub>2</sub>e).

3. Fitch Group GHG emissions summary with a graph showing market-based GHG emission breakdown by scope category. Reporting period is 1st January 2023 - 31st December 2023.

# ESG offerings

Fitch is committed to providing the market with transparent, positive, and sustainable Environmental, Social, and Governance (ESG) insights.

Sustainable Fitch provides rigorous, human-powered sustainability research, analysis, and data for the fixed-income market. Comprehensive thought leadership is provided by product offerings including ESG Ratings, ESG Scores, Second Party Opinions, and Transition Assessments. Our focus is firmly on the environmental and social impact and outcomes, rather than on credit.

Our substantive suite of products provides transparency, consistency, and granularity based on established methodologies that enable confidence in decision-making. Powered by the human insight that has differentiated Fitch for over 100 years, Sustainable Fitch brings experience and heritage to the financial community, using the best ESG information available.

Sustainable Fitch’s research team works collaboratively with ESG analysts to synthesize data, information, and market developments into actionable and forward-looking intelligence for the fixed income community, focused on ESG and sustainability.

## ESG ratings

Sustainable Fitch’s ESG Ratings provide a quantitative and qualitative assessment of the impact an issuing entity and its financial instruments have on the environment and society. We assign ESG Ratings to sustainability-linked debt instruments as well as non-labeled instruments. Our methodology embraces science-based targets used in major taxonomies for environmental considerations and takes inspiration from the UN Sustainable Development Goals (UN SDGs) for social considerations.

Our approach is distinctively modular, enabling us to furnish insights at the entity or bond framework level, or even for specific issuances, and we can amalgamate these insights into a composite instrument rating.



# ESG offerings

## ESG scores for leveraged finance

Sustainable Fitch's ESG Scores are asset-level, granular, short-form proprietary ESG assessment products assigned to entities like ESG ratings. These scores are impact based, and focus on how an entity positively or negatively contributes towards environmental or social objectives through its business activities and governance. 'Business activities' refers to the entity's revenue-generating activities; the scores do not consider projects unrelated to revenue-generating activities, such as voluntary community involvement.

By using a proprietary baseline industry view, analysts can compare entities despite varying levels of disclosure, which helps to mitigate greenwashing. Factual data extracted from those activities and analysts' assessment of material ESG considerations are at the core of our scoring. These scores have been developed by working in close partnership with asset managers. We have covered over 1,500 entities, accounting for over 90% of the U.S. and European Leveraged Finance market.

## Regulatory reporting standards tracker

Sustainable Fitch's ESG Regulations and Reporting Standards Tracker is a dynamic digest of significant regulatory developments in the ESG sector, focused on sustainable taxonomies, ESG and climate disclosure regulations and ESG fund requirements. It also tracks the most followed reporting frameworks and standards and aims to provide a succinct summary of the new regulatory issues that could affect issuers and investors in those ESG areas.

This database is maintained by Sustainable Fitch's Research team. It is updated on a quarterly basis and downloadable on [sustainablefitch.com](https://sustainablefitch.com). Information in this tracker is collected through the research process from a range of sources, including government statements, media reports, participation in sustainable finance working groups, and others.

A research report reviewing and analyzing the most pertinent regulatory developments from the previous quarter is published along with the Excel tool tracker each quarter. The report provides context and analysis on the implications of major ESG-related regulatory developments for investors and issuers.

# Sustainable Fitch insights

## ESG ratings insights: gender diversity metrics and trends

This report draws on Sustainable Fitch's entity, framework, and instrument ratings to identify trends related to gender diversity and pay equity.

Our data indicates that companies with high gender diversity across all staff levels tend to have better overall ratings, often scoring between '2' (good) and '3' (average), suggesting a link between gender diversity and comprehensive ESG performance. Banks and financial institutions lead in gender diversity, with such sectors as energy, automotive and transportation lagging.

Board-level gender diversity has risen in recent years thanks to supportive regulations, but more effort is required to promote greater representation across countries and sectors.

Our data indicates that European-based companies continue to lead in terms of female board representation, while those in the Middle East and Latin America remain behind. Female board representation is also higher in the insurance, healthcare, and education sectors.

### Access the full report.

The report was published to coincide with International Women's Day (IWD) in early March 2024 and was a key discussion topic for a series of external and internal events that followed, which were led in partnership with **100 Women in Finance**, the Fitch Women's Network, and the **Hong Kong Green Finance Association**.

## Investor questions answered: 2024 sustainable finance market trends

Sustainable Fitch held webinars in 2023 to present its views and expectations on key trends that will shape and dominate the sustainable finance market in 2024. These findings were drawn from our 2024 Sustainable Finance Outlook.

A February 2024 research report addressed answers to some audience questions and results from the two live poll questions during the events.

Most audience questions focused on emerging areas or segments of the market, including challenges and opportunities such as:

- Risks with labelled bonds issuance from emerging markets.
- How different regions are adapting approaches to sustainable taxonomies.
- The expansion of label colors in ESG debt and emerging themes in use of proceeds (UoP), such as biodiversity and agriculture.

Meanwhile, responses to poll questions demonstrate rising interest in more niche themes, such as water and food systems, and food security. Impact metrics are considered a key area for advancement, along with stricter use of criteria for existing labels, and standardized reporting.

## Biodiversity, sustainable finance and ESG impact

Sustainable Fitch is a thought leader in analyzing biodiversity and natural capital risks and impacts from a fixed-income perspective. In Q4 2023, a series of reports on biodiversity were published to unpack the issue, including:

- Labelled Bond Market and Biodiversity Themes
- Investor Focus Priorities
- Metrics, Targets and Disclosures
- Ocean Economy and Sustainable Finance

This is a growing area of interest for investors, policy makers and issuers in the broader sustainable finance sector. In addition to climate and GHG emission reductions, impacts on nature and biodiversity are emerging as areas of engagement and focus, especially for impact-focused investors. COP15 and the Taskforce for Nature Related Financial Disclosures galvanized investor interest in the segment last year as more precise frameworks for disclosures and metrics emerged.



## Appendix 1: Awards and recognition

Fitch has been recognized through different awards and our people are being recognized for being inclusive leaders.

### Leader in LGBTQ+ workplace inclusion

Laura Porter and Buddhika Prasad Piyasena (Fitch Ratings) were recognized by INvolve as part of their **Outstanding 50 Allies Role Model List**. This global list recognizes those who are doing innovative and impactful work to drive LGBTQ+ inclusion in business.

### Leaders promoting inclusion for ethnic minorities

Ruth Ekong (Fitch Solutions) has been recognized in INvolve's – **Empower 2023 Top 100 Future Leader's List**, which highlights leaders making a significant contribution to the inclusion of ethnically diverse people at work.

### The Middle East's 100 Most Powerful Businesswomen 2024

Nejoud Al Mulaik (Fitch Ratings) was recognized by Forbes as one of their **Most Powerful Business women in 2024**.

### Top 15 Heads of DEI

Dr. Maria Angelica Perez (Fitch Group) was recognized as one of the **2024 Top 15 Chief Diversity Officers** by Diversity Global Magazine.

### National Federation of Municipal Analysts

Emmanuelle Lawrence (Fitch Ratings), Director of U.S. Public Finance Ratings was appointed as **DEI Co-Chair** of the National Federation of Municipal Analysts (U.S.).

### Nneka Chike-Obi Appointed ICMA Advisory Council Member

Nneka Chike-Obi (Sustainable Fitch) has been appointed a member of the **ICMA – International Capital Market Association's Advisory Council** of the Principles Executive Committee.

### Recognition to Learning and Development

Victoria Payne (Fitch Group) was included in the Top 100 Learning & Development Professional Award from OnCon.

### Sustainable Fitch Wins "Best Specialist ESG Ratings Provider"

Sustainable Fitch was named **'Best Specialist ESG Ratings Provider'** for its impact-focused sustainability ratings. The judges' panel recognized Sustainable Fitch's ESG Ratings as "a unique impact-focused product designed for fixed-income investment decision-making, management, and reporting".

### Three colleagues recognized at the British Diversity Awards

Andy Jackson, Dr. Maria Angelica Perez, and Anjali Sharma (Fitch Ratings) were nominated for the **British Diversity Awards**, in the HR Champion, Head of Diversity and Inspirational Role Model of the Year categories respectively.















## Appendix 2: Supporting the UN SDGs (2023)

The UN SDGs are the blueprint to achieve a better and more sustainable future for all.

We have set the following priority SDGs.



Theme	SDGs	Aspirations	Achievements / Examples
<b>People</b>	   	<ul style="list-style-type: none"> <li>• Increase by 2030 the proportion of women at Executive and Managing Director level globally to 35% from 26% and the ethnic minority representation in the U.S. to 35% from 15% at Executive and Managing Director level</li> <li>• Design of wellbeing strategy</li> <li>• Launch an employee listening strategy</li> <li>• Creation of an internal mentorship platform</li> </ul>	<ul style="list-style-type: none"> <li>• Growth in the proportion of women at Executive and Managing Director level globally, increased from 26% at the end of 2021 to 29% in Q1 of 2024</li> <li>• Increased the proportion of black and African american, Latin, Hispanic workforce from 14% to 15%</li> <li>• Introduced a global minimum standard for parental and maternal leave</li> <li>• Range of wellbeing initiatives implemented including £500,000 raised for Mental Health</li> <li>• MentorPoint, Fitch’s mentorship platform, has over 750 employees signed-up</li> </ul>
<b>Communities</b>	   	<ul style="list-style-type: none"> <li>• Empower 2,000 girls through partnership with Inspiring Girls international by 2025</li> <li>• Commitment to provide 10,000 school bags by 2025</li> <li>• Support our Fitch Learning clients in widening industry participation with underrepresented talent for apprenticeships</li> <li>• Build three primary schools in 2024</li> <li>• 60% of employee engagement (in donations, volunteering)</li> </ul>	<ul style="list-style-type: none"> <li>• Supported 1,044 girls in 2023 through partnership with Inspiring Girls International</li> <li>• Provided school bags to 5,235 children in 2023</li> <li>• To date, 1,000+ participants have joined Fitch Learning’s Women in Financial Services series</li> <li>• Corporate members of WEConnect International, a global network that connects certified women-owned businesses to qualified buyers around the world</li> </ul>
<b>Environment</b>	 	<ul style="list-style-type: none"> <li>• Net Zero by 2040</li> <li>• Launch of the environmental strategy with commitment to Science Based Targets (SBTI)</li> <li>• Diverse and responsible supply chain</li> </ul>	<ul style="list-style-type: none"> <li>• Commitment to Net Zero by 2040</li> <li>• 2023 Carbon footprint report</li> <li>• Environmental strategy launched</li> <li>• Annual completion of CDP disclosures (2022 &amp; 2023) and EcoVadis assessment (2023)</li> </ul>



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